

**Senate Finance Committee  
Amended Substitute HB 153 Testimony  
Ohio School Boards Association  
Buckeye Association of School Administrators  
Ohio Association of School Business Officials  
June 2, 2011**

Good afternoon, Chairman Widener, Vice Chair Jones, Ranking Member Skindell, committee members. Thank you for the opportunity to speak to you today about the education related provisions contained in Amended Substitute House Bill (Am. Sub. HB) 153. My name is Barbara Shaner, Associate Executive Director for the Ohio Association of School Business Officials (OASBO). Joining me today in testimony and in answering your questions are Damon Asbury, Director of Legislative Services for the Ohio School Boards Association (OSBA), and Thomas Ash, Director of Governmental Relations for the Buckeye Association of School Administrators (BASA).

Our members are the public school district boards of education, superintendents, treasurers/CFOs, business managers, and other school business officials from around the state. They are very much aware of the state's current budget situation but are deeply concerned about the effects Am. Sub. HB 153 could have on their districts and the ability for them to serve students. Districts have already taken steps to become more efficient, and many have reduced programs and staff as a result of current financial constraints. They are very concerned about the reductions to education funding as proposed by Am. Sub. HB 153, while at the same time school "choice" would be expanded. We present our testimony on their behalf as developed by our respective organizations' education public policy development process.

We begin by thanking the committee for some positive changes made in the Senate version of Am. Sub. HB 153. We are pleased that the requested combined property/income tax levy option, the technical correction to the nutrition standards related to the sale of milk in schools, and the OSFC amendment related to Tangible Personal Property (TPP) values, were added to the substitute bill. We also appreciate your efforts on public records reform and thank both Senators Obhof and Seitz for their help on that issue. However, we would prefer the provisions in the amendment offered by Senator Seitz.

We very much appreciate the committee's removal of several objectionable charter school provisions added by the House that would have taken Ohio several steps backward in its accountability system. Many of those onerous provisions have been removed from the bill.

We want to thank you for the additional \$115 million in funding appropriated for education over the biennium. Those districts which will benefit from the performance incentives and the 2011 state aid guarantee included in the Senate substitute bill are thankful for the increase. We would suggest as performance incentives like the \$17 per pupil award are developed, you consider utilizing some measure of student growth as a qualifying indicator. We believe expert Eric Hanushek who the Senate and House Education Committees consulted on performance policy, has recommended this type of indicator.

The additional funds added by both the House and the Senate notwithstanding, we are still concerned for some of the more disadvantaged districts across the state. Many will end the current biennium already experiencing financial difficulty and offering "bare-bones" academic opportunities. The reductions proposed in Am. Sub. HB 153 will force further reductions in programs and staff in those districts, further widening disparities in funding and in educational offerings. We urge you to add funds to the lower wealth districts in the Senate's final version of the budget so that those districts most dependent on state funds will be able to weather these tough economic times.

Attached to this testimony, are Tables 1, 2 and 3 prepared by the consultants for the Education Tax Policy Institute (ETPI). They show the affects of budget reductions on school districts by typology as contained in the current version of HB 153. Table 1 includes a comparison based on total resources as defined by OBM -- State Aid, Property Tax Replacement Amount, Local Property Taxes and federal stimulus funds that were used in place of state foundation funds in the current biennium. It does not include federal IDEA and Title stimulus dollars lost from this biennium.

Table 2 shows the affects of the 2011 state aid guarantee and Table 3 shows the breakdown of the performance incentive provision, as contained in the Senate version of the bill. The additional revenues added to education in both the House and the Senate versions are primarily targeted at wealthier, high income districts.

The following are issues of particular concern with the Senate version of Am. Sub. HB 153.

### **School Employee Health Care Pooling**

Our organizations are very interested in the proposal in Am. Sub. HB 153 that calls for the implementation of some type of pooling arrangement for employee health care purchasing. We believe there is potential savings for districts with the pooling of lives for health care purposes.

The bill requires the Department of Administrative Services (DAS) to conduct a comprehensive study of all aspects of a new purchasing pool for school and local government employee health care before implementation of a new system. As we have received input from school districts, it has become clear that different views and different needs are present in the various regions of the state. For instance, because of the sparser population in southeast Ohio, competitive health care options are not readily available for the districts in that area. Meanwhile, northeast Ohio has a much different set of circumstances when it comes to the availability of affordable health care.

The provisions of the study outlined in Am. Sub. HB 153 would help flesh out these differences and lead to a solution that meets the needs of the majority of districts in Ohio. It will also help to avoid unintended consequences for those districts already experiencing a high level of success in managing health care costs.

However, the bill would undermine the work of the current School Employees Health Care Board (SEHCB) and give the director of the department of administrative services express authority to implement a health care pooling system for schools and other local governments. Our three organizations have participated on the SEHCB Advisory Committee. In this way, we have been able to give input as the SEHCB has developed "best practices" for school districts to follow -- practices that have led to significant savings. The Board recently commissioned an updated report from Mercer Consulting on the potential savings if a pooling arrangement were established. We believe the report will be useful as a pooling plan is developed.

The advisory committee outlined in the Senate substitute bill does not allow for our organizations to participate on behalf of our members. ***We urge you to include a SEHCB-like entity in Am. Sub. HB 153, as well as an advisory committee made up of organization representatives, to allow for stakeholder participation as a new program is developed and maintained.***

## **Electricity Pre-Purchase Option for School Districts**

Not included as part of Am. Sub. HB 153 is an amendment requested by our three organizations and the Ohio Schools Council (OSC). We thank Senator Oelslager and also Senator Beagle for working with us on the amendment. We hope you will consider including the provision in the final Senate version of the bill. The provision would allow us to attempt to maximize one shared service, cost saving option for schools – a clear example of what the governor has indicated to be a necessity efficient purchasing for schools and local governments.

OSBA, BASA, OASBO, in partnership the Ohio Schools Council (OSC), a council of government (COG), have joined together to create an electricity purchasing pool for school districts called Power4Schools. We are able to maximize the purchasing power of school districts by combining their electricity “load,” purchasing electricity from a competitive “third party provider” under Ohio’s electricity deregulation laws.

Because of the pricing and purchasing options in the marketplace, the program has started in the FirstEnergy service area. However, as competitive pricing becomes more viable, we will also be able to help school districts located in the other utility service areas around the state. We anticipate those new options becoming available in the near future.

While we have been able to offer competitive “Kilowatt Hour” pricing to districts through our pooling program, we would like to be able to take advantage of even bigger savings through a “pre-purchase” agreement with a supplier. If the electricity provider agrees, we would purchase the electricity up front for the life of the contract by selling bonds for the purchase. This could allow for an additional savings for schools over and above the lower pooled purchase price of electricity.

However, in today’s market, the additional savings would only be possible if we could utilize tax free bonds for the pre-purchase. In order to take advantage of tax free bonds, a legislative change would be necessary to allow the OSC to qualify under its status as a COG.

***We urge you to include this provision in the final Senate version of the bill.***

I will now turn the testimony over to Tom Ash from BASA.

## **Teacher Salary and Seniority Issues**

Our organizations supported the provisions in Am. Sub. HB 153 that would allow boards of education to establish a new salary system tied to teacher performance, licensure levels, and a teacher’s status as “highly qualified” under federal law. The original bill would also have permitted boards to pay additional compensation for those who agree to perform additional duties that the board believes should receive added pay.

Another employee related provision in the House version of Am. Sub. HB 153 that our members supported is a change in the reduction in force process. Boards of education and administrators would like the flexibility to make the best decisions for students and their districts when lay-offs are necessary.

***We urge you to reinstate these provisions into the bill.*** Not only will they provide flexibility for districts in managing the appropriate staffing levels and salaries, they will also put the state in compliance with the Race to the Top (RttT) requirements. This is necessary if we are to continue to qualify for those federal funds aimed at quality reforms to our education system.

There are some who would argue that the teacher performance issue is related to some kind of “end around” the provisions of Senate Bill 5. We do not concur. The fact is that the provisions of HB 153 more closely align with Ohio’s previously filed and approved application for \$400 million in RttT funding. Approximately 300 school districts and a total of over 600 educational entities (including both school districts and community schools) will have some form of performance-based pay system. By not adding some form of performance-based pay system to Ohio law, the state will in essence be creating two separate pay systems. This could be problematic for teachers moving from one district to another and for the districts recruiting them.

We believe that the following elements are necessary in order to sustain compliance with the RttT requirements:

- Evaluation systems must be aligned with the criteria established by the state, which would include a student growth measure as significant input;
- Require that the performance evaluation system encompass multiple measures, including student growth as one of multiple significant factors;
- Require that the evaluation system is aligned with the standards for teachers adopted under section;
- Require that observations of teachers include at least two formal observations of at least 30 minutes conducted by credentialed evaluators for those teachers whose contracts are expiring or who have been rated as “ineffective” in the previous year;
- Require for all other teachers whose contracts are not expiring or who have not been rated as “ineffective” that the observations include multiple classroom “walkthroughs” by those trained in this evaluation procedure;
- Require that the evaluation systems assign a rating in accordance with standards and criteria;
- Require that each teacher be provided with a written report of the results of any formal observation or classroom “walkthrough”;
- Identify measures of student growth for grades and subjects that do not receive value-added reports (with guidance issued by the state superintendent of public instruction);
- Require that an annual evaluation be conducted for all teachers and principals;
- Require that salary be based on an assessment of the above elements; and
- Require that training in the evaluation system be conducted in 2011-2012, pilot implementation be established in 2012-2013, and full implementation in 2013-2014.

### **Gifted Education Spending and Report Card Requirements**

Our organizations oppose the reinstatement of a provision contained in HB 1, the Ohio Evidence Based school funding model (OEBM), the requirement that school districts spend the same level of state dollars for gifted education as they spent in FY 2009. The gifted education funding component of the OEBM would be removed from law and the line item eliminated, and yet the spending requirements would be preserved. Additionally, now in the Senate version of the bill, the performance of gifted students would be included in report card ratings for school districts.

These provisions are of particular concern to our members given the overall reductions in funding that are also contained in Am. Sub. HB 153. At a time when funding for most programs is being cut, it is unreasonable for a mandate on gifted spending and gifted performance measures to be enacted. If there is

to be a spending requirement, the mandated effort should be reduced proportionally to any reduction in total resources.

It is troubling for us to make this recommendation since we support specialized programs for our talented and gifted students. However, ***reductions in this area should be commensurate with the reductions to all available local dollars.***

Damon Asbury will now continue our testimony.

### **Special Education Vouchers**

Our organizations also oppose the provision contained in the Senate version to create a special education voucher program to be available to up to 5% of Ohio's students with an Individualized Education Plan (IEP). We firmly believe that the current system is designed to meet the individual needs of students and we are concerned that the proposed changes could result in undermining services for some children. It is our position that the best way to serve special education students is to maintain and strengthen the current public system of education as it relates to students with special needs.

#### **Rationale:**

It is important that we understand the way special education students are currently served. Parents and students already have options under current law and ways to obtain relief when they believe the system is not meeting their needs.

All school districts are required to meet the Federal Individuals with Disabilities Education Improvement Act (IDEIA) provisions in serving special education students. Each school district must find ways to deliver services to every qualified student, either by providing the services directly or by contracting with another provider.

Once a student has been identified, an Individual Education Plan is jointly developed by the school district in cooperation with the parents. Before the IEP is put into place, it is signed by all parties, including the parents. Once in place, it is the responsibility of the school district to identify and obtain the resources necessary to fulfill the provisions of the plan.

We understand that a number of individuals testified before this committee about problems they encountered in securing an appropriate IEP for their children. This was disappointing to hear and we certainly understand their frustration and desire for an alternative opportunity. However, it is important to know that complaints are rare. Of the total number of students with IEPs (over 261,000 in the 2009-2010 school year), ODE only received 252 formal complaints. This represents 0.0009% of the total number of students served. However, even in those instances where parents do not agree with the way the school district is serving their child, there are procedures in place for them to pursue a remedy.

The Ohio Department of Education (ODE) Office of Exceptional Children provides a mediation program to deal with issues that parents have related to special education services for their student. Parents can make a complaint and take advantage of due process hearings. Mediation can take place even if hearings have not yet occurred. For school year 2009-2010, ODE reported a success rate of 81.9% through mediation--at no cost to the parent or school district.

ODE has also launched a facilitated IEP pilot program. Over 30 states have a similar program that seeks to resolve potential disputes at the earliest possible opportunity. This provides parents and school districts with an ODE trained mediator. The goal of this program is three-fold: to enhance positive communication between parents and the school, to reduce the number of formal complaints, and most importantly, to improve educational outcomes for students with disabilities.

In addition to these highly effective ways to alleviate parental concerns, Ohio already has a variety of parental choices for meeting the needs of their special education student within the current system.

Our organizations have concerns about the accountability for the dollars spent with private providers through special education vouchers. We are concerned about proper monitoring of the expenditures and also the qualifications of the providers. Under the Senate provision, there are no requirements that private providers meet the same federal and state operating standards as those required of the public school district.

Under the current system when school districts contract with another provider, be it another school district or a private entity, the school district has the ability to negotiate the terms of the contract and the price for services. This process helps to control the cost of securing the services and allows for contract oversight.

Parents should be wary as well. If they choose to accept a special education voucher, they relinquish their rights under IDEIA for due process hearings. School districts, in compliance with No Child Left Behind (NCLB), must meet federal standards for highly qualified teachers. Private providers are not subject to this requirement. Students moving outside the public school system would not have access to the general education programs and high academic standards taught in the least restrictive environment that is available in a school district.

Finally, we urge you to consider the special education students who remain in the school district. We believe that privatization in the name of choice jeopardizes the good of the whole. By diverting public dollars for a few students, the ability of public school districts to meet federal and state standards is compromised and students' educational experiences will suffer.

***For these reasons, we urge you to reconsider this provision of Am. Sub. HB 153 and remove the special education voucher program.***

*The final pages of our testimony include some major "big picture" concerns we have with Am. Sub. HB 153. We have divided them into three main areas with a one-page explanation of each -- School Funding, Tangible Personal Property Taxation and the Expansion of School Choice. They include some background information and the problems we see with the provisions. We will not attempt to read each page but rather we have included a summary for your review. We will be happy to address questions you may have about these topics.*

This concludes our testimony. Again, we thank you for the opportunity to speak to you today. We will be happy to address your questions.

**Table 1: Comparison of Percentage Loss Relative to the FY11 Level of Total Resources (As Computed by OBM) in FY12-FY13 by District Typology**

District Type	FY11 Total Resources Base*	FY12-13 As Introduced	FY12-13 House	FY12-13 Senate
Rural High Poverty	\$2,392,799,256	-3.94%	-3.76%	-3.65%
Rural Low Poverty	\$3,223,090,037	-4.62%	-4.44%	-4.30%
Rural/Small Town	\$2,093,864,684	-4.93%	-4.71%	-4.43%
Urban High Poverty	\$4,668,778,409	-4.31%	-4.14%	-4.01%
Major Urban	\$6,733,518,300	-4.84%	-4.71%	-4.71%
Urban/Suburb High Income	\$7,287,597,840	-5.35%	-5.06%	-4.59%
Urban/Suburb Very High Income	\$5,205,502,131	-5.14%	-4.61%	-3.99%
<b>Total</b>	<b>\$31,605,150,656</b>	<b>-4.84%</b>	<b>-4.59%</b>	<b>-4.32%</b>

\* FY11 Total Resources Base includes the total State and local resources of K-12 school districts as computed by OBM multiplied by two to account for funding over both FY12 and FY13.

**Table 2: Number of Districts Benefiting from Senate FY11 State Funding Hold Harmless Provision by District Typology**

District Type	# of Hold Harmless Districts in FY12	# of Hold Harmless Districts In FY13	# of Districts in Typology Group
Rural High Poverty	9	14	97
Rural Low Poverty	20	29	161
Rural/Small Town	21	28	81
Urban High Poverty	15	19	102
Major Urban	0	0	15
Urban/Suburb High Income	58	53	107
Urban/Suburb Very High Income	39	28	46
<b>Total</b>	<b>162</b>	<b>171</b>	<b>609</b>



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**Table 3: Distribution of \$17 Per Pupil Aid to Excellent and Excellent with Distinction School Districts as Included in the Senate Version of H.B. 153 by District Typology**

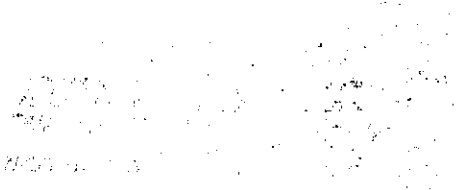
<b>District Type</b>	<b>Total # of Districts</b>	<b># of \$17 Districts</b>	<b>Amount of \$17 Aid FY12</b>	<b>Amount of \$17 Aid FY13</b>
Rural High Poverty	97	26	\$651,416	\$648,989
Rural Low Poverty	161	68	\$1,442,422	\$1,430,559
Rural/Small Town	81	54	\$1,450,477	\$1,444,611
Urban High Poverty	102	25	\$1,068,262	\$1,069,419
Major Urban	15	0	\$0	\$0
Urban/Suburb High Income	107	77	\$5,112,798	\$5,102,995
Urban/Suburb Very High Income	46	45	\$4,434,848	\$4,489,219
<b>Total</b>	<b>609</b>	<b>295</b>	<b>\$14,160,222</b>	<b>\$14,185,792</b>

Total # of Districts shows the number of school districts in each type or classification of district.

# of \$17 Districts shows the number of school district in each type to which the Senate version would make \$17 per pupil payments based on a particular district's status as excellent or excellent with distinction

Amount \$17 Aid FY12 and Amount of \$17 Aid FY13 shows the total amount of dollars estimated for the school districts within each type.

Island districts and College Corner are not included in the analysis.



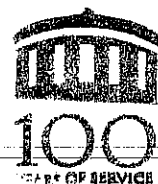
**Table 4: Senate Version of Appropriations for K-12 Education - FY11 through FY13**

Revenue Category	FY11	FY12	FY13
State GRF K-12	\$6,264	\$6,453	\$6,533
State GRF Rollback	\$1,051	\$1,086	\$1,095
State General Services	\$32	\$42	\$42
State Special Revenue	\$51	\$55	\$55
State Lottery Profits	\$711	\$718	\$681
Property Tax Replacement (TPP & PUTPP)	\$1,241	\$756	\$505
<b>Subtotal – State</b>	<b>\$9,350</b>	<b>\$9,110</b>	<b>\$8,911</b>
Federal SFSF Foundation Stimulus	\$457	\$0	\$0
Federal Stimulus non-Foundation	\$482	\$101	\$40
Federal Other	\$2,291	\$2,209	\$1,971
<b>Subtotal - Federal</b>	<b>\$3,230</b>	<b>\$2,310</b>	<b>\$2,011</b>
<b>Total</b>	<b>\$12,580</b>	<b>\$11,420</b>	<b>\$10,922</b>

**Table 5: Senate Version of Reductions in Appropriation Amounts for K-12 Education - FY11 through FY13**

	FY11 To FY12	FY11 to FY13	Total Loss
State	-\$240	-\$439	-\$679
Federal	-\$920	-\$1,220	-\$2,140
Total	-\$1,160	-\$1,659	-\$2,820
FY11 to FY12	-\$1,160		
FY12 to FY13	-\$498		

Note: Numbers rounded to nearest million. Columns may not add due to rounding.



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## School Funding

Our organizations and our members recognize the state is facing substantial financial difficulty. However, the reductions in funding for education create substantial fiscal stress for school districts. Through the Education Tax Policy Institute (ETPI), we have modeled the funding changes in Am. Sub. HB 153 in several ways -- comparisons on year-over-year losses, losses as a percentage of total available revenue, and losses minus the savings any change in employer retirement contributions might achieve.

With the foundation funding losses, combined with the accelerated phase-out of the Tangible Personal Property (TPP) tax replacement payments, many school districts will be in crisis. Regardless of how comparisons are made to measure the losses, the effects on school districts and children are real. They will mean losses of programs, people, and Ohio jobs. We believe the reductions could threaten our sound education system and have a negative effect on the economy.

Additionally, the drastic funding reductions in Am. Sub. HB 153 represents a definite shift to local taxpayers in those districts where taxpayers will support additional levies. There is much debate about Ohio's tax ranking but there is little disagreement that local taxes are already relatively higher than those in many other states. Am. Sub. HB 153 will exacerbate that problem.

While we do not support drastic cuts to school funding, the methodology for the cuts in the original budget proposal appears to be sound. Therefore, if additional funding for schools becomes available, we believe that same method to be appropriate and equitable for adjusting the level of cuts to districts. The House used this method for distributing the majority of additional funds in their version of the bill, allowing for the per pupil dollar amount used to calculate funding cuts to be smaller, thereby reducing the level of cuts to districts on a relatively equitable basis.

Added to the difficulty in determining exactly how the funding would work are claims about cost saving measures meant to offset the funding cuts. Our organizations are very supportive of finding additional efficiencies over those that are already in practice. In fact, we sponsor several programs like Power4Schools, workers compensation programs, and online purchasing pools for school districts, and we are continually looking for new opportunities to save money for schools. Additionally, there are a wide range of joint purchasing efforts already being utilized all over the state.

A recent report released by Education Matters through the KnowledgeWorks Foundation indicated that over \$1.4 billion savings could be realized using a benchmarking approach for non-instructional programs. We support the practice of districts' sharing best practices and ideas that work. However, the report does not attempt to demonstrate how the savings described could be replicated in districts across the state. We have not seen evidence that it is possible to apply the savings statewide.

Further, savings realized through these recommended changes in business practices are longer term savings and would not be immediate. The same goes for the pending changes in SB 5. While steps taken now for more efficiency in school operations and changes to teacher salaries will have a long-term effect, they will not solve the shortfall most districts will experience with the passage of Am. Sub. HB 153.

Finally, overall, the current version of Am. Sub. HB 153, the loss of revenue from state funding and federal stimulus dollars available to school districts in FY 2011 adds up to approximately \$2.9 billion. Also attached are Tables 4 & 5 that show the changes to state and federal aid to schools as proposed.

We urge you to be sure that all avenues have been explored before implementing the level of cuts to education as contained in Am. Sub. HB 153.

## Tangible Personal Property (TPP) Taxation

Background: HB 66, the biennial budget bill passed in 2005, contained sweeping tax reform provisions -- including the phase-out of the TPP tax. Our organizations did not oppose the phase-out of the tax as it was seen as an economic inhibitor for businesses. It taxed the property used in business -- not the income (ability to pay) of the business, discouraging new investment. However, because TPP was a significant local tax distributed unequally among school districts, an appropriate replacement was needed. We worked with the legislature to develop a mechanism for distributing the replacement tax to schools -- now known as the Commercial Activities Tax (CAT).

We believe the intent under HB 66 was to use funds from the CAT to increase state aid to schools as their property values went down when TPP was phased out. This would primarily be done through the funding formula since the districts' local share (charge-off) would be going down because of the loss of the TPP tax base. Over time as the tax phased out and the state aid phased up, the CAT would serve as a portion of school districts' state aid. For the portion of loss in local tax dollars that districts would experience for millage not included in the charge-off, it was assumed that the property tax values in other areas would grow and districts could absorb that loss over time.

Because most districts no longer receive funds through a "formula" currently or under the Am. Sub. HB 153 proposal, the expected recovery of the loss of TPP through increased state aid cannot be realized -- in fact they are losing ground on state aid under the proposal. Those districts with TPP revenue lost outside the charge-off have not experienced the expected growth in values to overcome their additional loss because of the national economy. **Therefore, the argument that school districts should have planned for the TPP payments to go away is not realistic.**

The state's own projections for revenues when HB 66 was passed have fallen short by approximately \$3 billion dollars annually, also because of the economy. The sudden loss of TPP replacement funds for school districts has the effect of transferring that shortfall to them. Again, this represents a shift to local taxpayers. While unintended at the time of its passage, this means local residential property tax payers will pay for the business tax reform provisions in HB 66.

We appreciate efforts by the House in the substitute bill to respond to our concern that TPP replacement payments would be completely eliminated for districts most heavily reliant on those payments. The substitute bill only addresses cuts in replacement payments for this biennium, allowing time for further study before additional cuts would be implemented.

However, the bill would completely eliminate replacement payments in both years of the biennium for over half of the districts in the state. It appears those cuts would be permanent. While these districts do not rely on the TPP replacement payments to the same extent as a percentage of their overall budget as their more reliant peers, they are still real dollars. For instance, the Morgan Local School District, a small rural district in southeast Ohio, is set to lose \$120,000 in TPP payments as proposed in Am. Sub. HB 153.

We suggest that you consider the following amendments to Am. Sub. HB 153:

- Establish a special committee or commission to consider possible alternatives for TPP replacement.
- Re-institute the "phase-out" contemplated by the tax reforms of House Bill 66 for those districts below the 2% loss cap.
- Restore the 70% Commercial Activities Tax (CAT) earmark for education and remove the CAT from the General Revenue Fund (maintaining current law).

## Expansion of Choice

Our organizations oppose the expansion of "choice" as contained in Am. Sub. HB 153. We continue to be concerned about the accountability of voucher schools as the EdChoice program exists currently, and we are concerned about increasing the number of vouchers offered.

Taxpayers deserve the assurance that their tax dollars are being spent on quality choices for students. We continue to be concerned about the lack of data on the achievement of students who make use of the EdChoice vouchers. Only students accepting such an EdChoice voucher must participate in the state's achievement program. While we acknowledge the positive anecdotal reports of parents, teachers, and administrators in the EdChoice program, there is little data to support the expansion.

The EdChoice program does not require that the private schools students attend meet the same standards as the public schools they would otherwise attend. Therefore, there is no assurance that students are receiving a high quality education.

The expansion of choice as proposed in Am. Sub. HB 153 comes at a time when school district funds are being reduced. The system for funding vouchers and community schools involves payments being deducted from school districts. With school districts experiencing substantial losses in state funding, the transfers out for vouchers and charters become even more problematic than before. The voucher or charter school pupil amounts will be deducted from school districts' funding resulting in an even bigger loss.

School district projections supplied by the Office of Budget Management (OBM) and the Legislative Service Commission (LSC) for the funding schools would receive under Am. Sub. HB 153 does not include transfers out for community school students and vouchers. With all but a handful of school districts receiving funding reductions under the bill, it is unacceptable that the number of voucher and community school deductions be expanded. We urge you to remove the "choice" expansion provisions from Am. Sub. HB 153.